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DEPT FOR WHA/CAR; AGRICULTURE FOR FAS; DEPT/WHITE HOUSE
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SUBJECT: DOMINICAN AGRICULTURE SECRETARY DEFENDS FREE TRADE
AGREEMENT

1. On December 1 Dominican Secretary of Agriculture Amilcar Romero replied to an anti-trade-agreement diatribe at a national ceremony with a reasoned defense of the free trade agreement with the United States and Central America (CAFTA) and advised ranchers and farmers that agriculture will have to move away from traditional protectionism to a more competitive approach.

2. The Dominican Association of Ranchers and Farmers (Asociacion Dominica de Hacendados y Agricultores or ADHA) held its annual merit awards ceremony for outstanding ranchers and farmers on December 1. The ADHA is the oldest livestock and agricultural association in the Dominican Republic (DR) and second in importance only to the Patronato Nacional, which is strictly a livestock group. Dominican President Leonel Fernandez and Secretary of Agriculture Amilcar Romero both attended the event, as is traditional. Embassy Agricultural Counselor attended the event as a special guest, as is customary.

2. The two featured speakers were Cesar Contreras, President of ADHA, and Secretary of Agriculture Romero. (President Fernandez did not give remarks and declined to speak to the press as he was leaving the event.) ADHA President Contreras spoke first and repeated several of the scare statistics of the effects of the implementation of CAFTA -- 500,000 jobs would be lost in the agricultural sector (100 percent of all jobs in agriculture) and the country could never compete with U.S. products benefiting from USD 40 billion in subsidies. Contreras said that the Dominican agricultural sector lacked the infrastructure and access to credit necessary to be competitive. He called upon President Fernandez to defend the Dominican agricultural sector and renegotiate the agreement. Adamantly anti-CAFTA literature was placed at every seat at the event: the bi-monthly publication of the Dominican dairy association (APROLECHE) and a handout from the Agricultural Emergency Committee (Comite de Emergencia Agropecuaria --organized and funded principally by sugar and fertilizer interests).

3. Agriculture Secretary Romero delivered a strong, economically sound counter-message. In front of an audience that had just heard that the free trade agreement would be the death of the Dominican agricultural sector, he gave a reasoned and moderate speech, commenting that the old ways of protecting producers through quotas, tariffs, and customs restrictions were things of the past and that structural change was necessary in the Dominican agricultural sector to make it more competitive. Romero acknowledged the apprehension in the agricultural sector with respect to the free trade agreement. He emphasized, however, that the country cannot remain isolated and agriculture must turn weaknesses into strengths. The message he was delivering, with President Fernandez seated beside him, was that the DR has to pass the FTA and then make the structural changes in the agricultural sector necessary to compete in the world economy.

Comment

4. It took a lot of courage for the Secretary to give this speech to an audience that had just given a resounding applause to President Contreras's anti-FTA remarks. Although President Fernandez did not take an active role in the event, his presence was a silent endorsement of the content of Secretary Romero's speech.
HERTELL